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<u>STATE</u>	<u>CLIENT</u>	<u>UTILITY</u>	<u>CASE</u>	<u>SUBJECT</u>	<u>TYPE</u>	<u>FILE DATE</u>	<u>CROSS DATE</u>
WV	AT&T	Bell Atlantic	96-1516-T-PC 96-1561-T-PC 96-1009-T-PC 96-1533-T-T	Depreciation	Direct Rebuttal	2/13/97 2/20/97	2/27/97 2/27/97
MD	AT&T/MCI	Bell Atlantic	8731, Phase II	Depreciation	Direct	3/7/97	4/14/97
UT	AT&T/MCI	U S West	94-999-01	Depreciation	Direct Rebuttal Surrebuttal Sup. Surr.	3/19/97 3/31/97 4/23/97 5/2/97	5/13/97 5/13/97 5/13/97 5/13/97
DC	AT&T/MCI	Bell Atlantic	962	Depreciation	Direct Rebuttal	3/24/97 5/2/97	6/11/97 6/11/97
VA	AT&T/MCI	Bell Atlantic	970005	Depreciation	Affidavit Direct Rebuttal	4/7/97 4/23/97 6/10/97	6/27/97 6/27/97 6/27/97
HI	US Department Of Defense	GTE	7702	Depreciation	Direct Reply	7/03/97 8/28/97	10/22/97 10/22/97
LA	AT&T/MCI	Bell South	22022/22093	Depreciation	Direct	8/25/97	9/16/97

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ME	AT&T	Bell Atlantic	96-781	Depreciation	Direct Surrebuttal	9/15/97 12/22/97	1/20/98 1/20/98
TENN	AT&T/MCI	Bell South	97-01262	Depreciation	Direct	10/10/97 10/17/97	2/25/98 2/25/98
VT	AT&T	Bell Atlantic	5713	Depreciation	Direct Surrebuttal	10/30/97 12/4/97	12/11/97 12/11/97
KY	AT&T/MCI	BellSouth, GTE, CBT	360	Depreciation	Reply	11/4/97	--
PA	AT&T	GTE	A-310125F002 GTEN-11	Depreciation	Direct	11/13/97	--
NC	AT&T/MCI	BellSouth, GTE, Sprint	P-100, SUB133b	Depreciation	Direct	12/10/97 1/30/98	--
NC	AT&T/MCI	BellSouth, GTE, Sprint	P-100, SUB133d	Depreciation	Direct	12/15/97 3/9/98	--
OHIO	AT&T/MCI	CBT	96-899-TP-ALT	Depreciation	Direct Reply	12/17/97 12/23/98	3/22/99 3/22/99
LA	AT&T/MCI	BellSouth	U-20883 Subdocket A	Depreciation	Direct Reply	1/9/98 1/20/98	--

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OK	AT&T	SBC	970000213 970000442	Depreciation	Direct	1/12/98	--
MISS	AT&T	BellSouth	97-AD-544	Depreciation	Direct Reply	1/28/98 3/13/98	--
MISS	AT&T	BellSouth	98-AD-035	Depreciation	Direct Reply	2/23/98 3/6/98	--
TENN	AT&T	BellSouth, GTE, Sprint	9700888	Depreciation	Direct Reply	3/18/98 3/25/98	--
RI	AT&T	Bell Atlantic	2681	Depreciation	Direct Surrebuttal	6/30/98 12/11/98	1/7/99
AZ	U S Department Of Defense	U S West	T-01051B- 97-0689	Depreciation	Direct Suppl Surrebuttal Comments Suppl Direct Reply	7/13/98 7/15/98 8/17/98 10/30/98 4/2/99 2/7/00 2/22/00	11/13/98 11/13/98 11/13/98 11/13/98 4/27/99 2/28/00 2/28/00

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<u>STATE</u>	<u>CLIENT</u>	<u>UTILITY</u>	<u>CASE</u>	<u>SUBJECT</u>	<u>TYPE</u>	<u>FILE DATE</u>	<u>CROSS DATE</u>
MICH	Michigan Cable Television Association	All	U-11016	Affiliate Transactions	Direct Reply	5/27/98 7/1/99	7/29/99 7/29/99
HI	U S Department of Defense	GTE	7702	Collocation and Nonrecurring Charges	Direct	6/2/00	--
NY	AT&T/MCI	Bell Atlantic	98-C-1357	Depreciation	Reply Rebuttal	6/26/00 10/19/00	-- --
AZ	US Department Of Defense	Qwest	T-01051B- 99-0105	Revenue Requirements	Direct Surrebuttal Direct	7/25/00 9/8/00 11/13/00	12/1/00 12/1/00 12/1/00
MA	AT&T/WorldCom	Verizon	D.T.E. 01-20	Depreciation	Direct	5/8/01	
MD	AT&T/WorldCom	Verizon	8879	Depreciation	Direct	5/25/01	

6/19/01

Experience

**Snavelly King Majoros O'Connor
& Lee, Inc.**
Washington, DC

Vice President (1996 to Present)
Senior Consultant (1991 to 1995)

Mr. Lee provides consulting services that reflect his depth of experience with regulated utilities. For over a quarter of a century, he has been extensively involved in regulatory financial and accounting matters.

Mr. Lee has provided expert witness testimony, technical assistance and strategic support to clients in state commission proceedings related to the telephone, cellular telephone and electric industries. His testimony has addressed such matters as competition, interconnection, incentive regulation, rate design, cost allocation, depreciation, productivity, and overall financial performance. Mr. Lee has also conducted a cost allocation and affiliate transaction audit of a major telephone company on behalf of its state commission.

Mr. Lee has assisted clients in proceedings before the Federal Communications Commission (FCC) related to competition, interconnection, universal service, incentive regulation, accounting, cost allocation, reporting, depreciation, and advanced services. Mr. Lee also performed a study on plant writedowns in the U.S. telecommunications industry on behalf of the Canadian Radio-Television and Telecommunications Commission.

AT&T, Basking Ridge, NJ

Regulatory Vice President (1988-1990)
Division Manager (1980-1988)

Mr. Lee represented AT&T before the FCC in all financial and accounting matters. In this capacity, he directed the preparation of all financially related AT&T filings and coordinated the analysis of commission and intervenor responses. In addition, he was responsible for the periodic review of AT&T financial operating results and the development of related capital and expense forecasts.

Mr. Lee directed the design and implementation of AT&T's automated system for the reporting of financial information to the FCC. He also was responsible for the implementation of AT&T's manual for the separation of regulated and unregulated costs and the conversion of the company to the revised Uniform System of Accounts.

His responsibilities included liaison with the FCC's audit staff and coordination of their activities with respect to AT&T. During his tenure, Mr. Lee brought scores of FCC investigations involving many billions of dollars to equitable conclusions.

Mr. Lee participated in the strategic development of price cap incentive regulation proposals and performed numerous related financial analyses. He also conceived and developed a methodology which reduced the administrative burden of AT&T's depreciation filings by over 90%.

Prior to divestiture, Mr. Lee coordinated all Bell System depreciation filings, rate of return pleadings and interstate rate cases. He was responsible for securing FCC approval of the accounting entries which implemented the Modified Final Judgment.

New York Telephone Company
New York, NY

District Manager (1970-1980)
Accounting Manager (1963-1970)

Mr. Lee held a variety of progressively responsible positions leading to his selection as the Company's accounting representative before the New York Public Service Commission. In this capacity, he participated in numerous general rate cases and related proceedings.

In an earlier assignment, Mr. Lee directed an inter-departmental study of the company's "Lost Telephone Set" problem. The study resulted in both operational improvements and major strategy changes by the company.

While in a rotational assignment to AT&T, Mr. Lee developed a cost accounting and productivity measurement system that was implemented in all Bell System Comptrollers Departments.

Mr. Lee also managed numerous line organizations of up to 200 persons responsible for billing and collection, property and cost and data processing functions.

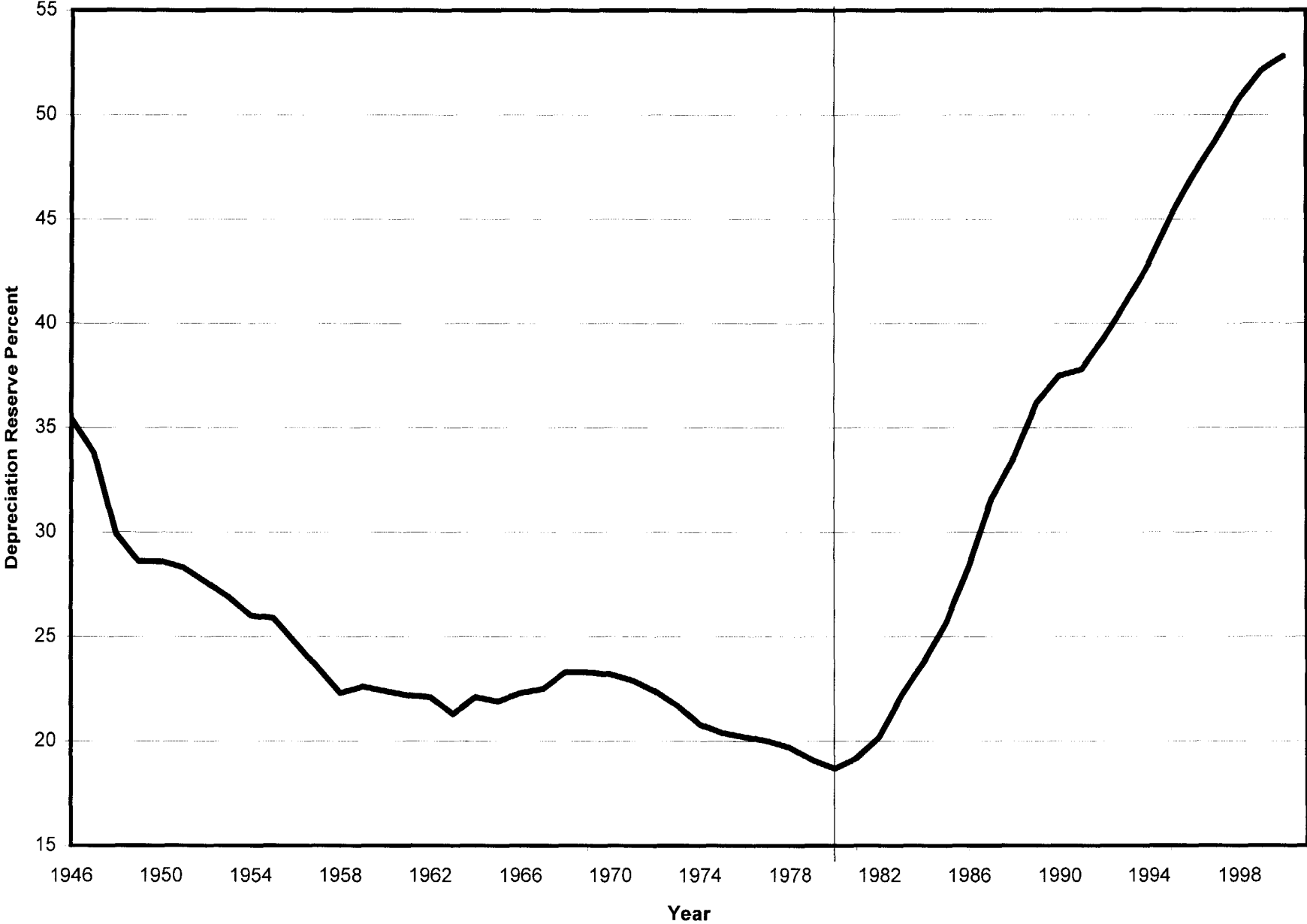
Education

Yale University, B.S. (High Honors)
Harvard Business School, MBA (Distinction)

Professional Affiliations

Society of Depreciation Professionals

Depreciation Reserve Percent All Reporting LECs



All Reporting LECs' Plant Related Rates
(Dollars in Millions)

	Telecommunications Plant in Service				<u>Add</u> (e)	<u>Ret</u> (f)	<u>Deprec</u> (g)	<u>EOY</u>	<u>AVG</u>	<u>Add</u>	<u>Retire</u>	<u>Deprec</u>	<u>Reserve</u>
	<u>BOY</u>	<u>EOY</u>	<u>Average</u>	<u>Increase</u>				<u>Reserve</u>	<u>Reserve</u>	<u>Rate</u>	<u>Rate</u>	<u>Rate</u>	<u>Percent</u>
	(a)	(b)	(c)=(a+b)/2	(d) = b-a				(h)	(i)	(j) = e/a	(k) = f/a	(l) = g/c	(m) = h/b
1946		6,500						2,300					35.4
1947	6,500	7,400	6,950	900				2,500	2,400				33.8
1948	7,400	8,700	8,050	1,300				2,600	2,550				29.9
1949	8,700	9,800	9,250	1,100				2,800	2,700				28.6
1950	9,800	10,500	10,150	700				3,000	2,900				28.6
1951	10,500	11,300	10,900	800				3,200	3,100				28.3
1952	11,300	12,300	11,800	1,000				3,400	3,300				27.6
1953	12,300	13,400	12,850	1,100				3,600	3,500				26.9
1954	13,400	14,600	14,000	1,200				3,800	3,700				26.0
1955	14,600	15,800	15,200	1,200				4,100	3,950				25.9
1956	15,800	17,400	16,600	1,600				4,300	4,200				24.7
1957	17,400	19,600	18,500	2,200				4,600	4,450				23.5
1958	19,600	22,000	20,800	2,400				4,900	4,750				22.3
1959	22,000	23,000	22,500	1,000				5,200	5,050				22.6
1960	23,000	25,000	24,000	2,000	2,700	700	1,100	5,600	5,400	11.7	3.0	4.6	22.4
1961	25,000	27,000	26,000	2,000	2,800	800	1,200	6,000	5,800	11.2	3.2	4.6	22.2
1962	27,000	29,000	28,000	2,000	2,900	900	1,300	6,400	6,200	10.7	3.3	4.6	22.1
1963	29,000	32,000	30,500	3,000	4,000	1,000	1,400	6,800	6,600	13.8	3.4	4.6	21.3
1964	32,000	34,000	33,000	2,000	2,900	900	1,600	7,500	7,150	9.1	2.8	4.8	22.1
1965	34,000	37,000	35,500	3,000	4,100	1,100	1,700	8,100	7,800	12.1	3.2	4.8	21.9
1966	37,000	40,000	38,500	3,000	4,100	1,100	1,900	8,900	8,500	11.1	3.0	4.9	22.3
1967	40,000	44,000	42,000	4,000	5,100	1,100	2,100	9,900	9,400	12.8	2.8	5.0	22.5

All Reporting LECs' Plant Related Rates
(Dollars in Millions)

	Telecommunications Plant in Service				<u>Add</u> (e)	<u>Ret</u> (f)	<u>Deprec</u> (g)	<u>EOY Reserve</u> (h)	<u>AVG Reserve</u> (i)	<u>Add Rate</u> (j) = e/a	<u>Retire Rate</u> (k) = f/a	<u>Deprec Rate</u> (l) = g/c	<u>Reserve Percent</u> (m) = h/b
	<u>BOY</u> (a)	<u>EOY</u> (b)	<u>Average</u> (c)=(a+b)/2	<u>Increase</u> (d) = b-a									
1968	43,249	47,123	45,186	3,874	5,104	1,230	2,304	10,979	10,440	11.8	2.8	5.1	23.3
1969	47,175	51,724	49,450	4,549	6,022	1,473	2,507	12,072	11,526	12.8	3.1	5.1	23.3
1970	51,723	56,951	54,337	5,228	6,880	1,651	2,751	13,213	12,643	13.3	3.2	5.1	23.2
1971	56,972	63,090	60,031	6,118	8,052	1,933	3,016	14,447	13,830	14.1	3.4	5.0	22.9
1972	63,068	69,870	66,469	6,802	9,044	2,242	3,330	15,643	15,045	14.3	3.6	5.0	22.4
1973	69,951	77,442	73,697	7,491	10,085	2,595	3,659	16,769	16,206	14.4	3.7	5.0	21.7
1974	77,107	84,888	80,998	7,781	11,024	3,243	4,047	17,685	17,227	14.3	4.2	5.0	20.8
1975	84,799	92,284	88,542	7,485	10,881	3,396	4,486	18,809	18,247	12.8	4.0	5.1	20.4
1976	92,591	99,879	96,235	7,288	11,139	3,856	4,934	20,163	19,486	12.0	4.2	5.1	20.2
1977	101,237	109,496	105,367	8,259	12,438	4,136	5,630	21,903	21,033	12.3	4.1	5.3	20.0
1978	109,502	119,336	114,419	9,834	14,549	4,681	6,199	23,474	22,689	13.3	4.3	5.4	19.7
1979	118,612	129,972	124,292	11,360	16,843	5,452	6,820	24,881	24,178	14.2	4.6	5.5	19.1
1980	129,767	142,096	135,932	12,329	18,694	6,378	7,804	26,512	25,697	14.4	4.9	5.7	18.7
1981	142,121	155,845	148,983	13,724	19,482	5,749	8,664	29,932	28,222	13.7	4.0	5.8	19.2
1982	155,907	168,075	161,991	12,168	18,466	6,409	9,757	33,957	31,945	11.8	4.1	6.0	20.2
1983	169,162	178,482	173,822	9,320	16,076	6,664	11,340	39,571	36,764	9.5	3.9	6.5	22.2
1984	152,315	159,798	156,057	7,483	14,994	4,994	10,048	37,996	38,784	9.8	3.3	6.4	23.8
1985	174,218	186,294	180,256	12,076	18,972	6,687	11,469	43,837	40,917	10.9	3.8	6.9	25.7
1986	186,972	198,758	192,865	11,786	18,907	6,954	13,142	51,543	47,690	10.1	3.7	7.5	28.4
1987	199,063	209,687	204,375	10,624	18,535	7,886	15,263	61,471	56,507	9.3	4.0	8.1	31.6
1988	210,720	220,395	215,558	9,675	17,947	8,949	16,627	74,123	67,797	8.5	4.2	7.7	33.6

All Reporting LECs' Plant Related Rates

(Dollars in Millions)

	Telecommunications Plant in Service				<u>Add</u>	<u>Ret</u>	<u>Deprec</u>	<u>EOY</u> <u>Reserve</u>	<u>AVG</u> <u>Reserve</u>	<u>Add</u> <u>Rate</u>	<u>Retire</u> <u>Rate</u>	<u>Deprec</u> <u>Rate</u>	<u>Reserve</u> <u>Percent</u>
	<u>BOY</u>	<u>EOY</u>	<u>Average</u>	<u>Increase</u>									
	(a)	(b)	(c)=(a+b)/2	(d) = b-a	(e)	(f)	(g)	(h)	(i)	(j) = e/a	(k) = f/a	(l) = g/c	(m) = h/b
1989	220,126	229,326	224,726	9,200	16,868	8,145	16,839	83,115	78,619	7.7	3.7	7.5	36.2
1990	229,103	235,247	232,175	6,144	18,473	12,380	16,955	88,146	85,631	8.1	5.4	7.3	37.5
1991	236,093	241,620	238,857	5,527	18,322	12,896	16,607	91,427	89,787	7.8	5.5	7.0	37.8
1992	242,599	249,508	246,054	6,909	18,877	12,138	17,036	98,053	94,740	7.8	5.0	6.9	39.3
1993	250,570	258,782	254,676	8,212	18,864	11,217	17,676	106,079	102,066	7.5	4.5	6.9	41.0
1994	259,216	267,443	263,330	8,227	18,781	10,990	18,656	114,598	110,339	7.2	4.2	7.1	42.8
1995	268,555	278,946	273,751	10,391	19,482	9,411	19,393	125,789	120,194	7.3	3.5	7.1	45.1
1996	278,974	291,569	285,272	12,595	22,401	10,271	20,527	137,278	131,534	8.0	3.7	7.2	47.1
1997	291,569	303,809	297,689	12,240	23,171	11,627	21,156	148,163	142,721	7.9	4.0	7.1	48.8
1998	303,689	319,767	311,728	16,078	24,218	9,337	21,947	162,102	155,133	8.0	3.1	7.0	50.7
1999	319,809	335,486	327,648	15,677	26,304	11,641	23,455	174,922	168,512	8.2	3.6	7.2	52.1
2000	313,010	332,565	322,788	19,555	26,991	11,695	22,388	175,632	175,277	8.6	3.7	6.9	52.8
Avg.	'60-'83									12.6	3.6	5.2	
	'84-'00									8.4	4.1	7.2	

Source: 1946 -1967 Report on Telephone Industry Depreciation, Tax and Capital/Expense Policy, Accounting and Audits Division, FCC, April 15, 1987, pp.6, 9

1968 - 1983 FCC Statistics of Common Carriers, Tables 12 and 16

1984 - 1987 FCC Statistics of Common Carriers, Tables 10 and 14

1988 - 2000 FCC Statistics of Common Carriers, Tables 2.7 and 2.9

Note 1: 1946 - 1983 Includes AT&T

Note 2: Cols l and m for 1985-1987 from Table 14 data as follows:

Col l = 1985 Col g/165,076

1986 Col g/175,926

1987 Col g/187,920

Col m = 1985 Col h/170,355

1986 Col h/181,496

1987 Col h/194,343

Verizon - Virginia Plant Related Rates

(Dollars in Millions)

	Telecommunications Plant in Service				<u>Add</u> (e)	<u>Ret</u> (f)	<u>Deprec</u> (g)	<u>EOY</u> <u>Reserve</u> (h)	<u>AVG.</u> <u>Reserve</u> (i)	<u>Add</u> <u>Rate</u> (j) = e/a	<u>Retire</u> <u>Rate</u> (k) = f/a	<u>Deprec</u> <u>Rate</u> (l) = g/c	<u>Reserve</u> <u>Percent</u> (m) = h/b
	<u>BOY</u> (a)	<u>EOY</u> (b)	<u>Average</u> (c)=(a+b)/2	<u>Increase</u> (d) = b-a									
1992	4,543	4,626	4,584	83	379	294	307	1,523	1,513	8.3	6.5	6.7	32.9
1993	4,626	4,800	4,713	174	364	192	364	1,754	1,638	7.9	4.1	7.7	36.5
1994	4,800	4,978	4,889	178	381	196	382	1,960	1,857	7.9	4.1	7.8	39.4
1995	4,978	5,262	5,120	284	445	172	391	2,188	2,074	8.9	3.5	7.6	41.6
1996	5,262	5,586	5,424	324	476	164	401	2,449	2,319	9.0	3.1	7.4	43.9
1997	5,586	5,889	5,737	303	472	186	402	2,689	2,569	8.5	3.3	7.0	45.7
1998	5,889	6,371	6,130	482	595	137	421	3,004	2,847	10.1	2.3	6.9	47.2
1999	6,371	6,799	6,585	427	582	160	452	3,313	3,159	9.1	2.5	6.9	48.7
2000	6,799	7,359	7,079	560	689	208	485	3,649	3,481	10.1	3.1	6.9	49.6
Avg.										8.9	3.6	7.2	

Source: ARMIS 43-02 Reports, Table B-1 and B-5 1992-2000

Note: Excludes Customer Premise Wiring

Projection Life Comparison

	<u>Account Number</u>	<u>Account Name</u>	<u>FCC Range</u>		<u>FCC VA</u>
			<u>Low</u> (a)	<u>High</u> (b)	(c)
1	2112	Motor Vehicles	7.5	9.5	7.5
2	2115	Garage Work Eqpt	12.0	18.0	18.5
3	2116	Other Work Eqpt	12.0	18.0	12.0
4	2121	Buildings	N/A	N/A	60.0
5	2122	Furniture	15.0	20.0	15.0
6	2123.1	Ofc. Support Eqpt	10.0	15.0	10.0
7	2123.2	Co. Comm. Eqpt	7.0	10.0	11.4
8	2124	Gen. Purpose Computers	6.0	8.0	7.0
9	2212	Digital Switching	12.0	18.0	17.5
10	2220	Operator Systems	8.0	12.0	15.0
11	2232	Digital Circuit	11.0	13.0	11.5
12	2351	Public Telephones	7.0	10.0	11.8
13	2411	Poles	25.0	35.0	30.0
14	2421	Aerial Cable - Met	20.0	26.0	23.0
15	2421	Aerial Cable - Fiber	25.0	30.0	25.0
16	2422	Underground Cable - Met	25.0	30.0	25.0
17	2422	Underground Cable - Fiber	25.0	30.0	25.0
18	2423	Buried Cable - Met	20.0	26.0	21.0
19	2423	Buried Cable - Fiber	25.0	30.0	25.0
20	2426	Intrabldg Cable - Met	20.0	25.0	24.0
21	2426	Intrabldg Cable - Fiber	25.0	30.0	30.0
22	2441	Conduit Systems	50.0	60.0	50.0

Source: Col a, b = FCC Docket No. 92-296 Orders released 6/28/94 and 5/4/9
and Docket No. 98-137 Order released 12/30/99.
Col c = FCC Parameter Report, 8/30/94

Future Net Salvage Comparison

	<u>Account Number</u>	<u>Account Name</u>	<u>FCC Range</u>		<u>FCC VA</u>
			<u>Low</u> (a)	<u>High</u> (b)	<u>(c)</u>
1	2112	Motor Vehicles	10.0	20.0	10.0
2	2115	Garage Work Eqpt	0.0	10.0	1.0
3	2116	Other Work Eqpt	0.0	10.0	0.0
4	2121	Buildings	N/A	N/A	4.0
5	2122	Furniture	0.0	10.0	0.0
6	2123.1	Ofc. Support Eqpt	0.0	10.0	12.0
7	2123.2	Co. Comm. Eqpt	-5.0	10.0	8.0
8	2124	Gen. Purpose Computers	0.0	5.0	7.0
9	2212	Digital Switching	0.0	5.0	1.0
10	2220	Operator Systems	0.0	5.0	0.0
11	2232	Digital Circuit	0.0	5.0	0.0
12	2351	Public Telephones	0.0	10.0	10.0
13	2411	Poles	-75.0	-50.0	-43.0
14	2421	Aerial Cable - Met	-35.0	-10.0	-17.0
15	2421	Aerial Cable - Fiber	-25.0	-10.0	-25.0
16	2422	Underground Cable - Met	-30.0	-5.0	2.0
17	2422	Underground Cable - Fiber	-20.0	-5.0	-20.0
18	2423	Buried Cable - Met	-10.0	0.0	-4.0
19	2423	Buried Cable - Fiber	-10.0	0.0	-10.0
20	2426	Intrabldg Cable - Met	-30.0	-5.0	-20.0
21	2426	Intrabldg Cable - Fiber	-15.0	0.0	-7.0
22	2441	Conduit Systems	-10.0	0.0	-10.0

Source: Col a, b = FCC Docket No. 92-296 Orders released 6/28/94 and 5/4/95
Col c = FCC Parameter Report, 8/30/94

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JUL 31 2001

**FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY**

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554**

**In the Matter of)
Petition of WorldCom, Inc. Pursuant) CC Docket No. 00-218
To Section 252(e)(5) of the)
Communications Act for Expedited)
Preemption of the Jurisdiction of the)
Virginia State Corporation Commission)
Regarding Interconnection Disputes)
With Verizon Virginia, Inc. and for)
Expedited Arbitration)
)**

**In the Matter of)
Petition of AT&T Communications) CC Docket No. 00-251
of Virginia, Inc., Pursuant)
to Section 252(e)(5) of the)
Communications Act, for Preemption)
of the Jurisdiction of the Virginia)
State Corporation Commission)
Regarding Interconnection Disputes)
with Verizon-Virginia, Inc.)
)**

**DIRECT TESTIMONY OF
STEVEN E. TURNER
ON BEHALF OF AT&T AND WORLDCOM, INC.**

JULY 31, 2001

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1 **I. BACKGROUND AND EDUCATION**

2
3 **Q. PLEASE STATE YOUR NAME, EMPLOYER, AND QUALIFICATIONS.**

4
5 A. My name is Steven E. Turner. My business address is Kaleo Consulting, 2031
6 Gold Leaf Parkway, Canton, Georgia 30114.

7 **Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?**

8 A. I head my own telecommunications and financial consulting firm, Kaleo
9 Consulting.

10 **Q. PLEASE DESCRIBE YOUR EDUCATION BACKGROUND.**

11 A. I hold a Bachelor of Science degree in Electrical Engineering from Auburn
12 University in Auburn, Alabama. I also hold a Masters of Business Administration
13 in Finance from Georgia State University in Atlanta, Georgia.

14 **Q. PLEASE DESCRIBE YOUR WORK EXPERIENCE.**

15 A. From 1986 through 1987, I was a Research Engineer for General Electric in its
16 Advanced Technologies Department developing high-speed graphics simulators.
17 In 1987, I joined AT&T and, during my career there, held a variety of
18 engineering, operations, and management positions. These positions covered the
19 switching, transport, and signaling disciplines within AT&T. From 1995 until
20 1997, I worked in the Local Infrastructure and Access Management organization
21 within AT&T. In this organization, I gained familiarity with many of the
22 regulatory issues surrounding AT&T's local market entry, including issues
23 concerning the unbundling of incumbent local exchange company networks. I
24 was on the AT&T team that negotiated with Southwestern Bell Telephone
25 Company ("SWBT") concerning unbundled network element definitions and
26 methods of interconnection. I formed Kaleo Consulting in January 1997. I

1 consult primarily on regulatory issues related to facilities-based entry into local
2 exchange service.

3 **Q. HAVE YOU TESTIFIED IN OTHER REGULATORY PROCEEDINGS?**

4 A. Yes. I have filed testimony or appeared before commissions in the states of
5 Alabama, Arkansas, California, Colorado, Delaware, Florida, Georgia, Hawaii,
6 Illinois, Kansas, Kentucky, Louisiana, Massachusetts, Michigan, Minnesota,
7 Mississippi, Missouri, Nebraska, Nevada, New York, Ohio, Oklahoma,
8 Pennsylvania, Texas, Washington, and Wisconsin. Additionally, I filed testimony
9 with the Federal Communications Commission ("FCC") regarding Southwestern
10 Bell Telephone Company's ("SWBT") compliance with Section 271 of the
11 Telecommunications Act of 1996 (the "Act"). A copy of my resume is attached
12 as Exhibit SET-1.

13 **II. SUMMARY OF TESTIMONY**

14
15 **Q. WHAT IS THE SUBJECT OF YOUR TESTIMONY?**

16 A. AT&T¹ and WorldCom asked that I review the transport and trunking related
17 assumptions included in the Synthesis Model and provide my opinion as to their
18 reasonableness. My testimony concludes that the assumptions used in this model
19 are reasonable based on my experience both with engineering transport networks
20 as well as reviewing incumbent transport cost studies.

¹ This Affidavit is presented on behalf of AT&T Communications of Virginia, Inc., TCG Virginia, Inc., ACC National Telecom Corp., MediaOne of Virginia and MediaOne Telecommunications of Virginia, Inc. (together, "AT&T").

1 **Q. WHAT IS YOUR EXPERIENCE WITH TRANSPORT AND TRUNKING**
2 **COST ISSUES?**

3 A. While an employee at AT&T, I had extensive experience in a variety of
4 engineering and operations positions. I was responsible for managing the work
5 center responsible for AT&T's dedicated transport network used to support
6 signaling applications, which provided specific experience related to transport. In
7 addition, my last assignment at AT&T was as the District Manager for planning
8 AT&T's local network constructions in the southwestern region comprised of the
9 Southwestern Bell states. In this position, I planned both constructions of AT&T
10 transport networks as well as the leasing of large quantities of dedicated transport
11 circuits from Southwestern Bell, Verizon, and other competitive local exchange
12 carriers ("CLECs"). Finally, during the past five years I have operated as an
13 independent consultant working on interconnection and cost issues for a variety of
14 CLECs. Part of this work has involved reviewing the transport cost studies filed
15 by incumbent LECs such as Southwestern Bell, Pacific Bell, and Verizon. In
16 these reviews, I have become increasingly knowledgeable regarding the central
17 issues relating to dedicated transport cost.

18 My experience with trunking results, in part, from my work experience
19 while at AT&T where I was a switch engineer. In that capacity, I became very
20 familiar through my hands-on experience, as well as attending formal training on
21 the issues related to trunking in switching networks. Later, as a District Manager
22 responsible for planning AT&T's local networks, I was responsible for overseeing
23 trunking issues as well. Finally, my role as an independent consultant during the
24 last five years has given me the opportunity to review common transport cost

1 studies filed by several different incumbents and given me a significant level of
2 experience in understanding what the issues are that drive costs in this area.

3 **III. SUPPORT FOR THE TRUNKING ASSUMPTIONS IN THE SYNTHESIS**
4 **MODEL.**

5 **Q. WHAT WAS THE RESULT OF YOUR REVIEW OF THE**
6 **ASSUMPTIONS IN THE SYNTHESIS MODEL USED BY MR. PITKIN IN**
7 **THE SYNTHESIS MODEL REGARDING TRANSPORT AND**
8 **TRUNKING?**

9 A. Based on my experience both as an engineer and in connection with the review of
10 cost studies, I believe the assumptions relating to transport and trunking in the
11 Synthesis Model used by Mr. Pitkin are reasonable.

12 **Q. IN YOUR REVIEW OF THE SYNTHESIS MODEL ASSUMPTIONS, DID**
13 **YOU CONCLUDE THAT THE SYNTHESIS MODEL APPROPRIATELY**
14 **ACCOUNTS FOR COSTS ASSOCIATED WITH HANDLING PEAK**
15 **CALL VOLUMES?**

16 A. Yes. The inputs used in the Synthesis Model take into account the “busy” day.
17 The FCC developed and adopted this methodology after reviewing and
18 considering various alternatives proposed by various parties. Further, taking into
19 account the traffic on the busy day allows the Synthesis Model to handle and
20 develop costs for the network necessary to support peak call volumes.

21 The Synthesis Model takes the total traffic for 365 days as found in
22 Verizon’s filing of the Dial Equipment Minutes (DEMS) and spreads this across
23 only 270 days. This division by 270 days accounts for two key characteristics:

24 (1) Dividing by 270 days accounts for the reality that there is weekend
25 traffic, (although this traffic is not ordinarily as heavy as on a
26 business day). As such, the 270 factor “weights” the weekend
27 days as a smaller percentage of equivalent days to account for their
28 lower usage characteristics.

29
30 (2) The 270 factor also accounts for the difference between a “typical”
31 business day and a “busy” business day. By dividing by only 270

1 days, the developers of the Synthesis Model actually account for
2 an approximate 27 percent increase in traffic on the “busy” day as
3 compared to a typical equivalent business day in determining the
4 trunking requirements and commensurate network cost
5 requirements.²
6

7 In addition, the Synthesis Model applies a “Busy Hour Fraction of Daily
8 Usage” factor to determine the percentage of daily traffic that occurs during the
9 busy hour. The way that this factor operates is that it takes the “busy” day traffic
10 as calculated above and assumes that 10 percent of this traffic occurs during the
11 busy hour. It is this traffic during the busy hour that is then used to determine
12 trunking requirements in the network. In short, the 270-day factor and the Busy
13 Hour Fraction of Daily Usage factor adjust for weekend usage, the difference
14 between typical business day and “busy” business day usage, and account for the
15 traffic that occurs on a busy day during the busy hour. Thus, the Synthesis Model
16 takes into account busy hour traffic, and this adjusted figure is used in making the
17 trunk quantity calculations in the Synthesis Model. In my opinion, these inputs
18 appropriately account for the cost associated with trunking within the Synthesis
19 Model.

20 **Q. IS THE 10 PERCENT BUSY HOUR FRACTION OF DAILY USAGE**
21 **FACTOR APPROPRIATE IN THE SYNTHESIS MODEL?**

22 A. Yes. In my experience working as both a switch engineer and District Manager,
23 as well as in my review of incumbent LEC cost studies, I have found the 10%

² In my experience, the difference between a busy day usage and a typical business day usage is only around 20 percent at most. As such, the 270-day factor used in the FCC Synthesis Model actually conservatively estimates the amount of traffic that would occur on the busy day and in the busy hour.

1 percent assumption is a standard figure used by the industry to estimate the
2 percentage of traffic that occurs during the busy hour.

3 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

4 **A. Yes, it does.**

5

I, Steven E. Turner hereby swear and affirm that the foregoing direct testimony was prepared by me or under my direct supervision or control and is true and accurate to the best of my knowledge and belief.

Signed:

Steven E. Turner
Witness

State : GEORGIA
County : CHEROKEE

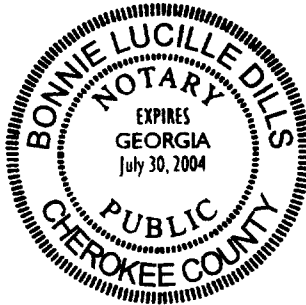
I Bonnie Lucille Dills do hereby swear and affirm that STEVEN
E. TURNER appeared before me this 30TH day of July, 2001.

Signed:

Bonnie Lucille Dills
Notary

Notary Qualification Expires:

[Stamp or Seal]



STEVEN E. TURNER

2031 Gold Leaf Parkway
Canton, Georgia 30114

678-493-9700 (Voice)
678-493-9701 (FAX)

KALEO CONSULTING EMPLOYMENT EXPERIENCE:

TELECOMMUNICATIONS AND FINANCIAL CONSULTANT (Jan 1997-Present)

- Provide expert testimony on technical issues surrounding the unbundling and interconnection to incumbent Local Exchange Company (ILEC) networks. The testimony includes analysis of ILEC unbundling and interconnection per the Telecommunications Act of 1996 (Section 271) as well as other technical issues of local market entry. Further, the testimony includes evaluating and conducting unbundled element and interconnection cost studies.
- Provide expert testimony on the level and extent of facilities-based competition in the local market place. This testimony which quantitatively and economically evaluates the extent of competition results in an assessment of ILEC compliance with Section 271 proceedings.
- Develop models to aid companies in developing market entry plans for the local telecommunications market. This assistance includes evaluating what market entry alternatives as well as which geographies provide the best profit opportunities for the new entrant.

AT&T EMPLOYMENT EXPERIENCE:

DISTRICT MANAGER - CONNECTIVITY NETWORK PLANNING - LI&AM (Feb 1996-Dec 1996)

- Managed the development of AT&T's Infrastructure Plans of Record for the Southwest region. These plans entailed defining the right mix of built and leased infrastructure to meet AT&T's local offer needs at the least cost.
- Managed AT&T's dedicated access inventory in the Southwest region. This effort involved identifying the optimum supplier(s) in each market for AT&T's access needs to meet both financial and strategic objectives.

MANAGER - STRATEGIC ACCESS PLANNING - Access Strategic Planning (Nov 1994-Feb 1996)

- Managed the development of strategic models to analyze alternatives for entering the local market. These models considered various technologies for entering local that would optimize the contribution to AT&T from a revenue, expense, and capital perspective.

RE-ENGINEERING MANAGER - Network Operations (Jul 1994-Oct 1994)

- Directed a CCS-NSD management-union team in re-engineering the engineering, provisioning, and maintaining of the Operator Services network. Delivered a re-engineered process that reduced operational expense significantly while mitigating the impacts on customers and employees.

PROJECT MANAGER/SYSTEM ENGINEER - CCS Centralized Test Center (Jan 1992-Jun 1994)

- Coordinated implementation plans and system development for new services and network elements in the Common Channel Signaling (CCS) Network. The planning scope included provisioning, monitoring, and maintaining the T1.5 facilities for the CCS signaling circuits.
- Acquired funding (development, capital, and head count) through writing and defending business cases in support of projects for new services or network elements in the CCS Network. Upon approval, coordinated the implementation of system development and capital projects affecting the CCS Centralized Test Center.

AT&T EMPLOYMENT EXPERIENCE (cont.):

DEPARTMENTAL QUALITY MANAGER - Network Operations (Jan 1990-Jan 1992)

- Developed the Network Operations Quality Management System and implemented it into an organization of 5000 people. Implementation required gaining organizational support for staffing and training 40 Quality Specialists and managing their efforts in transferring the quality technology into Network Operations.

OPERATIONS SUPERVISOR - Regional Network Service Center (Nov 1988-Dec 1989)

- Managed the Regional Network Service Center serving AT&T customers in the Southeastern United States through correcting their service troubles. Responsibilities included leading a team of 20 associates who responded to over 2000 customer troubles per month and escalating with Local Exchange Companies to remove barriers to trouble resolution.

4ESS SWITCH ENGINEER - Network Engineering Services (Dec 1987-Nov 1988)

- Identified current levels of asset utilization, analyzed future needs, and developed a capital budget to purchase and provision the necessary equipment to efficiently meet customer needs. Managed the implementation of over \$10M in capital projects.

GENERAL ELECTRIC EMPLOYMENT EXPERIENCE:

RESEARCH AND DESIGN ENGINEER - Simulation and Control Systems (Jun 1986-Dec 1987)

- Designed and developed a major sub-system for a high-speed graphics simulator supporting both defense and commercial customers.
- Designed and developed a Very Large-Scale Integrated (VLSI) Chip with over 80,000 transistors used in the video display sub-system for the high-speed graphics simulator.

ACHIEVEMENTS:

- Developed the strategic planning system used throughout AT&T Connectivity Planning that identifies the mix of connectivity options (Wireless, CATV, LEC) that AT&T should implement within a market. This model is being used to determine AT&T's local market entry strategy for the entire country.
- Re-engineered the Operator Services operations processes through a collaborative effort of management and union employees yielding \$19.9 million in operational expense savings annually while making the new organization more customer responsive.
- Planned and implemented a modification to the CCS Network data collection architecture resulting in operational expense savings of \$7.3 million per year.
- Significantly advanced the implementation of Total Quality Management in Network Operations through the Quality Specialist strategy initiative begun in 1990.
- Completed development of a Win Back Program for non-AT&T customers who called the Regional Network Service Center in error. This program generated over \$1.6 million in new revenue for AT&T in 1989.
- Designed and developed a Management Information System enabling the measurement of asset utilization in switching equipment at any point in time. The use of the information provided with this system and the resulting changes in engineering practices reduced Network Operations under-utilized switching assets by approximately \$250 million.
- Re-engineered the installation process for switching equipment resulting in a 70% reduction in the installation interval.

- Designed and developed the largest VLSI chip with General Electric at that time in only five months.

EDUCATION:

August 1990: **Masters of Business Administration Degree - Finance**
Georgia State University
Atlanta, Georgia

December 1986: **Bachelor of Science Degree - Electrical Engineering**
Auburn University
Auburn, Alabama

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